



Telecommunications Property Tax Fact Sheet

Background

- Laws providing for the taxation of telecommunications were enacted in the 1920s. At the same time, deregulation and new technologies have transformed the industry into an ultra-competitive, technologically advanced, multi-billion-dollar enterprise.

Result

- The disconnect between dated statutes and an evolving industry has resulted in significant reductions in assessments for cities and towns.
 - ⇒ Last year alone, communities experienced a \$1.31 billion, or 37%, decline in telecommunications assessments, resulting in a \$31 million reduction in taxes paid by these firms. Communities most affected include:

	FY 2005	FY 2004	Change
Billerica	26,544,100	79,328,500	(52,784,400)
Boston	338,370,800	699,809,700	(361,438,900)
Cambridge	67,913,300	93,820,600	(25,907,300)
Framingham	30,490,100	69,546,300	(39,056,200)
Newton	27,701,900	48,963,300	(21,261,400)
Southborough	6,656,400	38,329,500	(31,673,100)
Springfield	42,974,600	180,206,400	(137,231,800)
Taunton	13,226,300	65,714,900	(52,488,600)
Walpole	11,090,900	40,421,100	(29,330,200)
Waltham	44,397,600	74,436,100	(30,038,500)
Westborough	12,105,700	79,724,800	(67,619,100)
Woburn	19,809,500	61,531,700	(41,722,200)
Worcester	45,517,900	68,304,900	(22,787,000)
State Total	2,259,745,400	3,567,669,500	(1,307,924,100)

⇒ More than 60% of the personal property owned by Verizon is exempt from the property tax, removing over \$2.5 billion in value from local tax bases.

⇒ Telecommunications exemptions result in the remaining residents and businesses paying higher property taxes. In Boston, telecommunications exemptions raised the business tax rate by 2% and increased the average single family tax bill by \$185.

Legislation

- Closes the loophole that exempts telephone poles and wires over public property
- Removes the exemption for machinery (mainly switching equipment) of telephone companies
- Results in an estimated \$140 million in new revenue for cities and towns

